

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF)	
DELMARVA POWER & LIGHT COMPANY FOR)	
AUTHORITY TO IMPLEMENT A DISTRIBUTION)	
SYSTEM IMPROVEMENT CHARGE (DSIC) RATE)	
FOR NATURAL GAS DISTRIBUTION EFFECTIVE)	PSC DOCKET NO. 18-1254
JANUARY 1, 2019)	
PURSUANT TO 26 DEL. C. § 315)	
(FILED NOVEMBER 30, 2018))	

ORDER NO. 9314

AND NOW, this 20TH day of December 2018, the Public Service Commission of Delaware (the "Commission") determines and Orders the following:

WHEREAS, on November 30, 2018, Delmarva Power & Light Company ("Delmarva") filed an application (the "Application") to implement a "Distribution System Improvement Charge" ("DSIC Rate")¹ pursuant to 26 Del. C. § 315; and

WHEREAS, in the Application, Delmarva seeks to set the DSIC Rate at 0.99%. The requested DSIC Rate is based on net additional plant of \$10,124,246 placed into service between June 1, 2018 and October 31, 2018 and an associated semi-annual depreciation expense of \$76,026; and

WHEREAS, at the request of Staff and the Division of the Public Advocate ("DPA"), Delmarva has agreed to make adjustments to the schedules included in the Application to account for the over-collection plus interest in the amount of \$35,390 that is the result of the final

¹ The DSIC Rate mechanism is described in greater detail in PSC Order #5850 dated December 11, 2001.

findings and conclusions of Staff's audit of PSC Docket Nos. 16-1084 and 17-0402, and approved in Order No. 9313; and

WHEREAS, this adjustment reduces Delmarva's requested DSIC Rate of 0.99% to 0.93%; and

WHEREAS, Staff has reviewed the Application and has determined that the DSIC Rate does not result in an increase of 5% over the last twelve (12) month period and, therefore, satisfies the requirements of 26 Del. C. § 315(b)(7); and

WHEREAS, Staff recommends that the Commission not specifically approve the DSIC Rate, but rather permit the DSIC Rate to go into effect on January 1, 2019 on an interim basis subject to review, audit, and an annual reconciliation based on the 12-month period ending December 31, 2019 (the "Audit"); and

WHEREAS, Staff further recommends that if the Audit reflects that the DSIC Rate was improperly calculated, the Commission properly revise the DSIC Rate and provide an appropriate remedy for any DSIC charges improperly collected;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Pursuant to 26 Del. C. § 315, the DSIC Rate of 0.93% is approved to go into effect on January 1, 2019 on an interim basis subject to the Audit and final approval.

2. Pursuant to 26 Del. C. § 314(b)(1), Delmarva shall provide information to its customers concerning the DSIC Rate.

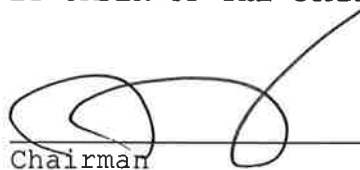
3. Pursuant to 26 Del. C. § 314(b)(8), the Commission reserves jurisdiction and authority to conduct the Audit. Delmarva is put on

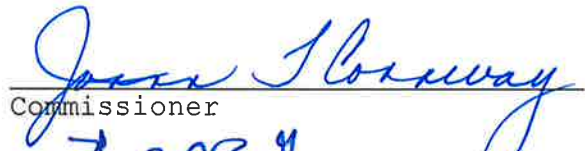
notice that it may be obligated to refund or reimburse customers if the Audit determines that the DSIC Rate was improperly calculated.

4. Delmarva is hereby notified that it will be assessed the costs of this proceeding pursuant to 26 Del. C. § 114(b).

5. The Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:


Chairman



Commissioner


Commissioner


Commissioner


Commissioner

ATTEST:


Secretary

